

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	69165	Agenda Number	4.
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Meeting Date:	4/6/2017	Department:	Austin Energy
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Subject

Authorize execution of an agreement with Target to provide performance-based incentives for the generation of solar energy at its facilities at 3702 South FM 620 (Travis County), 2300 W. Ben White Blvd. (District 5), 10900 Lakeline Mall Dr. (District 6) and 5300 S. MoPac Expy. (District 8), for an estimated \$112,834.45 per year, for a total amount not to exceed \$1,128,344.47 over a 10-year period.

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Prior Council Action:

For More Information: Jeff Vice, Director, Local Government Issues (512) 322-6087; Danielle Murray, Solar Program Manager (512) 322-6055.

Council Committee, Boards and Commission Action: March 20, 2017 – Recommended by the Electric Utility Commission on a vote of 6-0 with Hadden and Biedrzycki absent and with three vacancies. March 21, 2017 – Recommended by the Resource Management Commission on a vote of 8-0 with Gill and Santiago absent and with one vacancy.

MBE / WBE:

Related Items:

Additional Backup Information

Austin Energy requests authorization to enter into an agreement with Target, to provide a performance-based incentive (PBI) for an amount not to exceed \$1,128,344.47 over a 10-year period, for the generation of solar energy at four of its facilities located within Austin Energy's service area. The Target stores included are located at 3702 S. FM 620 (in Travis County), 2300 W. Ben White Blvd. (Council District 5), 10900 Lakeline Mall Dr. (District 6) and 5300 S. MoPac Expy. (District 8).

The total installation cost is \$3,448,134.40 and the incentive will cover up to 33% of the cost. The PBI levels for these projects range from \$0.02 to \$0.04 per kilowatt hour (kWh) for 10 years. The solar equipment, which meets Austin Energy program requirements, includes a total of 6866 solar modules rated at 320 and 325 watts. The combined solar installations will have a total capacity of 1.83 MW-AC.

Austin Energy's solar program helps meet the community's solar goal of 950 MW by 2025, including 200 MW of local solar capacity, established in the updated Resource, Generation and Climate Protection Plan approved by City Council in December 2014. The solar program is designed to reduce the amount of electricity Austin Energy must purchase

from the market and reduce associated greenhouse gas emissions.

These new energy improvements will together generate an estimated 3,051,640 kWh per year— enough to power 270 average Austin homes for a year. This project is estimated to prevent the production of the following emissions each year: 2,020 tons of Carbon Dioxide (CO₂); 2,547 pounds of Sulfur Dioxide (SO₂); 2,816 pounds of Nitrogen Oxide (NO_x); and 1,957 pounds of Carbon Monoxide (CO). These emissions reductions are equivalent to planting 47,075 trees or 2,354 acres of forest in Austin's parks or the removal of 4,114,168 vehicle miles or 351 cars from Austin roadways.

The Austin City Council launched Austin Energy's original solar photovoltaic (PV) rebate incentive program in 2004 (Resolution No. 040527-06) to benefit Austin residents and utility customers by: promoting the use of an environmentally-friendly and energy efficient renewable energy resource; promoting economic development for the development, recruitment and retention of renewable energy enterprises; and ensuring that Austin remains a local, national and international leader in the development and use of renewable energy.

In 2010, City Council approved Resolution No. 20100204-003, revising Austin Energy's solar program for commercial customers by replacing the upfront rebate with "performance-based" payments. The PBI solar program offers commercial customers payments based on the metered solar production of their approved PV system for the first 10 years of operation. Payments are made as a monthly billing adjustment to the customers' electric account.